



DEPARTMENT OF COMMERCE

International Trade Administration

A-570-016

Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances
Review: Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China

AGENCY: Enforcement and Compliance, International Trade Administration, Department of
Commerce

SUMMARY: The Department of Commerce (the Department) is initiating a changed
circumstances review (CCR) of the antidumping duty (AD) order on certain passenger vehicle
and light truck tires (passenger tires) from the People's Republic of China (PRC) with regard to
Sailun Jinyu Group (HONG KONG) Co., Limited (Sailun Jinyu HK). We preliminarily
determine that Sailun Jinyu HK is the successor-in-interest to Jinyu International Holding Co.,
Limited (Jinyu HK) for purposes of determining AD liability. Interested parties are invited to
comment on these preliminary results.

EFFECTIVE DATE: (Insert date of publication in the *Federal Register*.)

FOR FURTHER INFORMATION CONTACT: Toni Page, AD/CVD Operations, Office VII,
Enforcement and Compliance, International Trade Administration, U.S. Department of
Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-1398.

SUPPLEMENTARY INFORMATION:

Background

On August 10, 2015, the Department published in the *Federal Register* an AD order on
passenger tires from the PRC.¹ On December 4, 2015, Jinyu HK, an exporter of passenger tires

¹ See *Certain Passenger Vehicle and Light Truck Tires From the People's Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Amended Final Affirmative*

covered by this order, changed its name from Jinyu HK to Sailun Jinyu HK. On February 23, 2016, Sailun Jinyu HK requested that the Department conduct a changed circumstances review under section 751(b) of the Tariff Act of 1930 (the Act), as amended, 19 CFR 351.216, and 19 CFR 351.221(c)(3).² In this request, Sailun Jinyu HK asked the Department to determine that it is the successor-in-interest to Jinyu HK and, accordingly, to assign it Jinyu HK's cash deposit rate.³ Sailun Jinyu HK also requested that the Department expedite the review.⁴ Initially, the Department denied Sailun Jinyu HK's request because it failed to demonstrate good cause for conducting a changed circumstances review of a final determination in an investigation less than 24 months after the publication of the final determination.⁵ Sailun Jinyu HK subsequently filed arguments as to why good cause exists for initiating a CCR.⁶

Scope of the Order

The products covered by the scope of this order are passenger vehicle and light truck tires. Passenger vehicle and light truck tires are new pneumatic tires, of rubber, with a passenger vehicle or light truck size designation. Tires covered by these orders may be tube-type, tubeless,

Countervailing Duty Determination and Countervailing Duty Order, 80 FR 47902 (August 10, 2015) (*AD and CVD Orders*).

² See letter from the Sailun Group, "Jinyu International Holding Co., Limited's Request for a Changed Circumstances Review in Certain Passenger Vehicle and Light Truck Tires From the People's Republic of China, Case No. A-570-016," at 1 (February 23, 2016) (Sailun Jinyu HK CCR Request).

³ *Id.*

⁴ *Id.*

⁵ See letter from the Department, "Antidumping Duty Investigation of Passenger Vehicle and Light Truck Tires from the People's Republic of China: Request for Changed Circumstances Review" (April 4, 2016).

⁶ See letter from the Sailun Group, "Jinyu International Holding Co., Limited's Request for a Changed Circumstances Review in Certain Passenger Vehicle and Light Truck Tires From the People's Republic of China, Case No. A-570-016," at 2-3 (April 18, 2016) (Sailun Jinyu HK CCR Good Cause Request).

radial, or non-radial, and they may be intended for sale to original equipment manufacturers or the replacement market.

Subject tires have, at the time of importation, the symbol “DOT” on the sidewall, certifying that the tire conforms to applicable motor vehicle safety standards. Subject tires may also have the following prefixes or suffix in their tire size designation, which also appears on the sidewall of the tire:

Prefix designations:

P - Identifies a tire intended primarily for service on passenger cars

LT- Identifies a tire intended primarily for service on light trucks

Suffix letter designations:

LT - Identifies light truck tires for service on trucks, buses, trailers, and multipurpose passenger vehicles used in nominal highway service.

All tires with a “P” or “LT” prefix, and all tires with an “LT” suffix in their sidewall markings are covered by this investigation regardless of their intended use.

In addition, all tires that lack a “P” or “LT” prefix or suffix in their sidewall markings, as well as all tires that include any other prefix or suffix in their sidewall markings, are included in the scope, regardless of their intended use, as long as the tire is of a size that is among the numerical size designations listed in the passenger car section or light truck section of the Tire and Rim Association Year Book, as updated annually, unless the tire falls within one of the specific exclusions set out below.

Passenger vehicle and light truck tires, whether or not attached to wheels or rims, are included in the scope. However, if a subject tire is imported attached to a wheel or rim, only the tire is covered by the scope.

Specifically excluded from the scope are the following types of tires:

- (1) racing car tires; such tires do not bear the symbol “DOT” on the sidewall and may be marked with “ZR” in size designation;
- (2) new pneumatic tires, of rubber, of a size that is not listed in the passenger car section or light truck section of the Tire and Rim Association Year Book;
- (3) pneumatic tires, of rubber, that are not new, including recycled and retreaded tires;
- (4) non-pneumatic tires, such as solid rubber tires;
- (5) tires designed and marketed exclusively as temporary use spare tires for passenger vehicles which, in addition, exhibit each of the following physical characteristics:
 - (a) the size designation and load index combination molded on the tire’s sidewall are listed in Table PCT-1B (“T” Type Spare Tires for Temporary Use on Passenger Vehicles) of the Tire and Rim Association Year Book,
 - (b) the designation “T” is molded into the tire’s sidewall as part of the size designation, and,
 - (c) the tire’s speed rating is molded on the sidewall, indicating the rated speed in MPH or a letter rating as listed by Tire and Rim Association Year Book, and the rated speed is 81 MPH or a “M” rating;
- (6) tires designed and marketed exclusively for specialty tire (ST) use which, in addition, exhibit each of the following conditions:
 - (a) the size designation molded on the tire’s sidewall is listed in the ST sections of the Tire and

Rim Association Year Book,

(b) the designation “ST” is molded into the tire’s sidewall as part of the size designation,

(c) the tire incorporates a warning, prominently molded on the sidewall, that the tire is “For Trailer Service Only” or “For Trailer Use Only”,

(d) the load index molded on the tire’s sidewall meets or exceeds those load indexes listed in the Tire and Rim Association Year Book for the relevant ST tire size, and

(e) either

(i) the tire’s speed rating is molded on the sidewall, indicating the rated speed in MPH or a letter rating as listed by Tire and Rim Association Year Book, and the rated speed does not exceed 81 MPH or an “M” rating; or

(ii) the tire’s speed rating molded on the sidewall is 87 MPH or an “N” rating, and in either case the tire’s maximum pressure and maximum load limit are molded on the sidewall and either

(1) both exceed the maximum pressure and maximum load limit for any tire of the same size designation in either the passenger car or light truck section of the Tire and Rim Association Year Book; or

(2) if the maximum cold inflation pressure molded on the tire is less than any cold inflation pressure listed for that size designation in either the passenger car or light truck section of the Tire and Rim Association Year Book, the maximum load limit molded on the tire is higher than the maximum load limit listed at that cold inflation pressure for that size designation in either the passenger car or light truck section of the Tire and Rim Association Year Book;

(7) tires designed and marketed exclusively for off-road use and which, in addition, exhibit each of the following physical characteristics:

- (a) the size designation and load index combination molded on the tire's sidewall are listed in the off-the-road, agricultural, industrial or ATV section of the Tire and Rim Association Year Book,
- (b) in addition to any size designation markings, the tire incorporates a warning, prominently molded on the sidewall, that the tire is "Not For Highway Service" or "Not for Highway Use",
- (c) the tire's speed rating is molded on the sidewall, indicating the rated speed in MPH or a letter rating as listed by the Tire and Rim Association Year Book, and the rated speed does not exceed 55 MPH or a "G" rating, and
- (d) the tire features a recognizable off-road tread design.

The products covered by the orders are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4011.10.10.10, 4011.10.10.20, 4011.10.10.30, 4011.10.10.40, 4011.10.10.50, 4011.10.10.60, 4011.10.10.70, 4011.10.50.00, 4011.20.10.05, and 4011.20.50.10. Tires meeting the scope description may also enter under the following HTSUS subheadings: 4011.99.45.10, 4011.99.45.50, 4011.99.85.10, 4011.99.85.50, 8708.70.45.45, 8708.70.45.60, 8708.70.60.30, 8708.70.60.45, and 8708.70.60.60. While HTSUS subheadings are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.

Initiation and Preliminary Results of Changed Circumstances Review

Pursuant to section 751(b)(1)(A) of the Act and 19 CFR 351.216(d), the Department will conduct a CCR upon receipt of a request from an interested party for a review of an AD order which shows changed circumstances sufficient to warrant a review of the order. The information

submitted by Sailun Jinyu HK supporting its claim that it is the successor-in-interest to Jinyu HK demonstrates changed circumstances sufficient to warrant such a review.⁷

In accordance with the above-referenced regulation, the Department is initiating a CCR to determine whether Sailun Jinyu HK is the successor-in-interest to Jinyu HK. When it concludes that expedited action is warranted, the Department may publish the notice of initiation and preliminary results for a CCR concurrently.⁸ We determined that expediting this CCR is warranted because we have the information necessary to make a preliminary finding already on the record, in accordance with our practice.⁹

In determining whether one company is the successor-in-interest to another, the Department examines a number of factors including, but not limited to, changes in management, production facilities, supplier relationships, and customer base.¹⁰ While no single factor or combination of these factors will necessarily provide a dispositive indication of a successor-in-interest relationship, the Department will generally consider the new company to be the successor to the previous company if the new company's resulting operation is not materially dissimilar to that of its predecessor.¹¹ Thus, if the evidence demonstrates that, with respect to the production

⁷ See 19 CFR 351.216(d).

⁸ See 19 CFR 351.221(c)(3)(ii); see also *Certain Pasta From Italy: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 80 FR 33480, 33480-41 (June 12, 2015) (*Pasta From Italy Preliminary Results*) (unchanged in *Certain Pasta From Italy: Final Results of Changed Circumstances Review*, 80 FR 48807 (August 14, 2015) (*Pasta From Italy Final Results*)).

⁹ See, e.g., *Pasta From Italy Preliminary Results*, 80 FR at 33480-41 (unchanged in *Pasta From Italy Final Results*, 80 FR at 48807).

¹⁰ See, e.g., *Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp From Thailand*, 75 FR 61702, 61703 (October 6, 2010) (*Shrimp From Thailand Preliminary Results*) (unchanged in *Notice of Final Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp From Thailand*, 75 FR 74684 (December 1, 2010) (*Shrimp From Thailand Final Results*)); and *Industrial Phosphoric Acid From Israel: Final Results of Antidumping Duty Changed Circumstances Review*, 59 FR 6944, 6946 (February 14, 1994).

¹¹ See, e.g., *Shrimp From Thailand Preliminary Results*, 75 FR at 61703 (unchanged in *Shrimp From Thailand Final Results*, 75 FR at 74684).

and sale of the subject merchandise, the new company operates as the same business entity as the prior company, the Department will assign the new company the cash deposit rate of its predecessor.¹²

In its February 23, 2016, and April 18, 2016 submissions, Sailun Jinyu HK provided information to demonstrate that it is the successor-in-interest to Jinyu HK. Sailun Jinyu HK states that there were no changes to the company's ownership, employees, managers, customers, or suppliers. To support its claims, Sailun Jinyu HK submitted the following documents: (1) a copy of Jinyu HK Internal Work Approval Sheet, dated October 29, 2015 explaining the reason for the name change from Jinyu HK to Sailun Jinyu HK; (2) a copy of a Department memorandum regarding Sailun Group Co., Ltd.'s Affiliation Single Entity Status, dated January 14, 2015; (3) a Notice of Change of Company Name, dated December 4, 2015 filed with the Hong Kong Companies Registry; (4) a Certificate of Change of Name, dated December 21, 2015, issued by the Hong Kong Companies Registry; (5) business registrations for both Jinyu HK (dated October 24, 2015) and Sailun Jinyu HK (dated October 24, 2015); (6) a listing of the company's customers before and after its name change; and (7) a letter sent to all customers explaining the name change.¹³ Sailun Jinyu HK also demonstrated good cause for initiating a CCR pursuant to 19 CFR 351.216(c) because it has only changed its name and no other aspect of the company's operations, and conducting this review ensures that the appropriate deposit rate applies to Sailun Jinyu HK.¹⁴

¹² *Id.*; see also *Notice of Final Results of Changed Circumstances Antidumping Duty Administrative Review: Polychloroprene Rubber From Japan*, 67 FR 58, 59 (January 2, 2002); and *Ball Bearings and Parts Thereof from France: Final Results of Changed-Circumstances Review*, 75 FR 34688, 34689 (June 18, 2010).

¹³ See Sailun Jinyu HK CCR Request at Exhibits 1-7.

¹⁴ See Sailun Jinyu HK CCR Good Cause Request at 2-3.

Based on the evidence on the record, we preliminarily find that Sailun Jinyu HK is the successor-in-interest to Jinyu HK. We find that Sailun Jinyu HK operates as the same business entity as Jinyu HK and that its ownership, management, production facilities, supplier relationships, and customers have not changed as a result of its name change. Thus, we preliminarily find that Sailun Jinyu HK should receive the same AD cash deposit rate with respect to the subject merchandise as Jinyu HK, its predecessor company.¹⁵

Should our final results remain the same as these preliminary results, we will instruct U.S. Customs and Border Protection to suspend entries of subject merchandise exported by Sailun Jinyu HK at Jinyu HK's cash deposit rate, effective on the publication date of our final results.

Public Comment

Interested parties may submit case briefs and/or written comments not later than 14 days after the publication of this notice.¹⁶ Rebuttal briefs, which must be limited to issues raised in case briefs, may be filed not later than five days after the deadline for filing case briefs.¹⁷ Parties who submit case briefs or rebuttal briefs in this changed circumstances review are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. Interested parties who wish to comment on the preliminary results must file briefs electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. An electronically-filed document must be received

¹⁵ Jinyu HK, as part of the Sailun Group, received a 0.00 percent cash deposit rate in the investigation of the AD order on passenger tires from the PRC. *See AD and CVD Orders* at 47904 (August 10, 2015).

¹⁶ *See* 19 CFR 351.309(c)(ii).

successfully in its entirety by the Department's electronic records system, ACCESS, by 5 p.m. Eastern Time on the date the document is due.

Interested parties that wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS, within 14 days of publication of this notice.¹⁸ Parties will be notified of the time and date of any hearing, if requested.¹⁹

Consistent with 19 CFR 351.216(e), we intend to issue the final results of this changed circumstance review no later than 270 days after the date on which this review was initiated, or within 45 days of publication of these preliminary results if all parties agree to our preliminary finding.

We are issuing and publishing this finding and notice in accordance with sections 751(b)(1) and 777(i)(1) of the Act, and 19 CFR 351.216 and 351.221(c)(3)(ii).

Dated: June 30, 2016.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

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¹⁷ See 19 CFR 351.309(d).

¹⁸ See 19 CFR 351.310(c); *see also* 19 CFR 351.303 for general filing requirements.

¹⁹ See 19 CFR 351.310.